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**Registered Marijuana Dispensary Application Process
Frequently Asked Questions
July 2015**

Submitting an Application

Q: Where can I find the blank application forms?

A: Blank application forms are posted online at www.mass.gov/medicalmarijuana.

Q: When is the deadline to submit an *Application of Intent*?

A: Applications are accepted on a rolling basis by the Department of Public Health (Department). Effective June 29, 2015 applications will be accepted and there is no deadline to submit an *Application of Intent*.

Q: Where do I submit an application?

A: Application forms may be mailed or hand-delivered to:

Department of Public Health
Bureau of Health Care Safety and Quality
Medical Use of Marijuana Program
RMD Applications
99 Chauncy Street, 11th Floor
Boston, MA 02111

Q: How do I start the application process?

A: To start the application process, submit an *Application of Intent*. All Registered Marijuana Dispensary (RMD) application materials are posted at www.mass.gov/medicalmarijuana.

Q: Is there a limit to the number of applications I can submit?

A: An applicant may apply for up to 3 certificates of registration. No executive, member, or any entity owned or controlled by such an executive or member may directly or indirectly control more than 3 RMDs.

Q: Can I submit all of the application forms for an RMD at the same time?

A: No. Each form must be submitted separately, in the following order:

- 1) *Application of Intent*;
- 2) *Management and Operations Profile*;*;
- 3) *Siting Profile*.*

*An applicant may not submit a *Management and Operations Profile* until it is invited to do so by the Department after reviewing its *Application of Intent*. Similarly, an applicant may not submit a *Siting Profile*, including the letter of support or non-opposition, until it is invited to do so by the Department after reviewing its *Management and Operations Profile*.

Q: Is the Department prioritizing the filling of open counties?

A: Yes. Applicants submitting a *Siting Profile* to locate a retail dispensing site in an open county will be processed before *Siting Profiles* submitted for non-open counties locations. If multiple *Siting Profiles* are received for open county locations, they will be processed in the order of the date they were submitted.

Fees

Q: Are there fees associated with the application?

A: The fees associated with the applications are as follows:

<i>Application of Intent</i>	\$1,500
<i>Management and Operations Profile</i>	\$30,000
<i>Siting Profile</i>	No additional fee

Q: Are application fees refundable?

A: No. Application fees are non-refundable.

Q: Will applicants who participated in the 2013-2014 application process have to pay the application fees if submitting a new application in 2015?

A: Yes. All applicants are required to pay the application fees.

Q: If submitting more than one *Application of Intent*, is the applicant required to submit separate checks of \$1,500 for each *Application of Intent*, or may the payment be combined (e.g., one \$4,500 check for three *Applications of Intent*)?

A: When submitting more than one *Application of Intent* or *Management and Operations Profile*, please submit a separate check for each submitted application.

Q: May a portion of the \$500,000 initial capital requirement be used for the application fees?

A: Yes.

Application Review

Q: How many RMDs does the Department plan to approve?

A: At this time, the Department is not limiting the number of RMDs that will be approved.

Q: In what order are applications reviewed?

A: Applications are accepted on a rolling basis. Reviews begin in order by the date the application is received by the Department.

Q: How will applications be reviewed?

A: Applications will be reviewed to determine if they comply with Chapter 369 of the Acts of 2012, An Act for the Humanitarian Medical Use of Marijuana, and Department regulations, 105 CMR 725.000, et seq. (Regulations). Applications will not be given a numerical score, but instead permitted to proceed if found compliant. If not found compliant, the Department will communicate with the applicant regarding issues of non-compliance and permit the applicant to address them.

Q: How long will the application review process take?

A: Similar to the Department's processing of health facility licensure applications, the amount of time it will take to process an application will depend upon the accuracy and completeness of the application as well as the volume of applications in queue.

Non-Profit Requirement

Q: How do I show non-profit compliance?

A: Please read the *“Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance”* for policies related to RMD non-profit compliance. This document is posted at www.mass.gov/medicalmarijuana.

Q: In the *Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance*, the Department states that “revenue-sharing” is inconsistent with its Regulations. What does “revenue-sharing” include?

A: The Department interprets “revenue-sharing” as arrangements under which a capital contributor, supplier or contractor provides financing, supplies, equipment or services in return for a share of the RMD’s revenue, and where the RMD has not demonstrated that (i) the arrangement is in the best interests of the nonprofit corporation, and (ii) the terms are commercially reasonable and consistent with fair market value for the financing, supplies, equipment or services being provided. Such arrangements are not consistent with the requirement under the Regulations, 105 CMR 725.100(A)(1), that an RMD “must ensure that revenue of the RMD is used solely in furtherance of its nonprofit purpose.”

Background Checks

Q: What background checks will be conducted?

A: Please read the *“Guidance for Registered Marijuana Dispensaries Regarding Background Checks”* for information on the types of background checks and how background check information will be evaluated. This document is posted at www.mass.gov/medicalmarijuana.

Q: What type of background check information will disqualify a candidate?

A: Please read the *“Guidance for Registered Marijuana Dispensaries Regarding Background Checks”* for information on the types of background checks and how background check information will be evaluated. This document is posted at www.mass.gov/medicalmarijuana.

Q: When completing background check authorization forms for an entity providing cultivation or security services, do these forms need to be completed and signed by the individual employee or representative from the entity performing onsite services?

A: Yes. Where an entity sends an individual employee or representative to perform onsite services as cultivation or security manager or the equivalent, the individual who will provide the onsite services must also submit to a background check.

Q: Will background checks be required for staff and board members of already registered RMDs that seek additional licenses, so long as they have been performed in the last 12 months?

A: Background checks are required for dispensary agents only if they have not been completed within 12 months. If the 12 month period expires, prior to an applicant receiving a Provisional Certificate of Registration, they must be repeated.

Q: Are background check fees refundable?

A: No. All background check fees and application fees are non-refundable.

Q: If an applicant has a member on their team that is deemed to be unsuitable by the Department will the entire application be denied?

A: No. If an individual associated with a proposed RMD is deemed “unsuitable,” the RMD may elect to remove that individual from the application and submit another individual for the proposed role during the application process. That individual would also be subject to a background check.

Q: What if background check information regarding an individual identified in the application changes during the application process (e.g., someone is arrested)?

A: All background check issues need to be resolved before the RMD receives a Provisional Certificate of Registration.

Q: May applicants choose their own vendor to conduct background checks?

A: The Background Investigator will be selected by the Department when it is performing the Application Process background checks. RMDs will take the responsibility for completing and reviewing the requisite background checks for all individuals or entities associated with the RMD once it enters the Inspection Phase.

When RMDs are conducting the background check, the Background Investigator used must be an investigative firm holding the National Association of Professional Background Screeners (NAPBS®) Background Screening Credentialing Council (BSCC) accreditation and capable of performing the searches outlined in *“Guidance for Registered Marijuana Dispensaries Regarding Background Checks”*. This guidance document is posted at www.mass.gov/medicalmarijuana.

Q: If I am invited to submit a *Management and Operations Profile* or *Siting Profile*, does that mean that all of the Background Checks of my team members are complete?

A: No. Receiving an invitation to submit a *Management and Operations Profile* or *Siting Profile* does not indicate that team members have passed the Department's background check process. Background checks continue throughout the application process. If an issue does arise, the applicant will be notified and the issue must be resolved before the RMD may be eligible to receive a Provisional Certificate of Registration. Please refer to the "*Guidance for Registered Marijuana Dispensaries Regarding Background Checks*" for further information. This document is posted at www.mass.gov/medicalmarijuana.

Q: Can the Department tell me whether a certain individual on my team would pass a background check if I gave you details about their history?

A: No. The Department cannot pre-approve or disapprove individuals prior to the application process. Utilizing the information provided in the "*Guidance for Registered Marijuana Dispensaries Regarding Background Checks*," the RMD should make a determination as to how it wishes to proceed.

Q: If a team member holds multiple roles within the RMD, do we need to submit multiple background check authorization forms and Character and Competency forms for that individual?

A: No. Only one background check authorization packet and Character and Competency form needs to be submitted for each required individual, even if that individual holds multiple roles within the RMD.

Financing

Q: How much capital is an applicant required to show in the *Application of Intent*?

A: When submitting an *Application of Intent*, an applicant must demonstrate that it has at least \$500,000 in its control and available for initial capital. If the applicant is submitting more than one *Application of Intent*, it must demonstrate that it has an additional \$400,000 in its control and available for each additional application. An applicant may apply for up to 3 certificates of registration.

Q: Are there any restrictions on the type of account in which the required initial capital may be held?

A: Yes. Accounts where funds are not readily available for use by the non-profit entity as required by 105 CMR 725.100(B)(1)(b) cannot be used.

Q: The *Management and Operations Profile* asks applicants to identify capital contributors. What if an applicant secures a new capital contributor after submitting their *Management and Operations Profile*?

A: If an applicant secures a new capital contributor after submitting a *Management and Operations Profile*, the applicant must update their application forms with this information and submit a Character and Competency form, background check authorization forms, and fee to the Department for the new capital contributor.

Q: Do the parties listed on Section D of the *Application of Intent* need to be the same parties that are listed on Section F of the *Management and Operations Profile*?

A: Section D of the *Application of Intent* requires the applicant to demonstrate that it has access to and control over the initial capital. Section F of the *Management and Operations Profile* requires the applicant to list the individuals or entities that are contributors of that capital. The applicant will know best whether there is any overlap between any individual or entity indicated in Section D of the *Application of Intent* and any individual or entity indicated in Section F of the *Management and Operations Profile*.

Board of Directors

Q: If invited to submit a *Management and Operations Profile*, is it permissible to modify the Board of Directors?

A: Yes. As long as the applicant informs the Department in writing and submits to the Department a Character and Competency form, background check authorization forms, and fee for any person or entity that has become a member of the Board of Directors after the applicant submitted their *Application of Intent*.

Application of Intent

Q: Do you need to have someone assigned to each role mentioned in the instructions in the *Application of Intent*?

A: Yes.

Q: What type of certificate of legal existence does an applicant need to submit with their *Application of Intent*? There are multiple kinds of such certificates on the Secretary of State's website.

A: Please submit the certificate that is titled “Legal Existence” (not “Legal Existence with Amendments”, or “Legal Existence with Officers”, etc.).

Q: When completing a Character and Competency form, for an entity providing cultivation or security services, does this form need to be completed and signed by the individual employee or representative from the entity performing onsite services?

A: Yes. Where an entity sends an individual employee or representative to perform onsite services as a cultivation or security manager or the equivalent, the individual who will provide the onsite services must also submit to a background check. The Department understands that at the time of the submission of the *Application of Intent*, an entity may not yet have identified specific individuals who will be providing onsite services and should only submit this form for the entity and any known individuals providing services at that time.

Q: Our executive management team includes additional individuals that are not specifically mentioned in the Character and Competency form. Should a Character and Competency form be submitted for these individuals as well?

A: No. Only submit Character and Competency forms for the required individuals indicated in the *Application of Intent*.

Q: The Character and Competency form requires an applicant to list entities that are responsible for Cultivation and Security operations. The fields are geared toward individuals rather than entities. How do I complete this form for an entity?

A: When submitting a Character and Competency form for an entity, please indicate the name of the entity under the “Name of Individual” field. Additionally, indicate whether that entity will be responsible for marijuana for medical use cultivation operations or the RMD security plan and security operations under the “Title of Individual” field. Treat questions 1-10 within the form as if it’s being asked of an entity rather than an individual.

For example, question 7, asks “Has any entity in which you have served as an executive, officer, corporate member or board member been the subject of a governmental investigation or enforcement action for lack of compliance with laws of the Commonwealth relating to taxes and child support?” The entity answering the question should answer whether it has been the subject of a governmental investigation or enforcement action for lack of compliance with laws of the Commonwealth relating to taxes and child support.

Q: Do you need to propose a location in the *Application of Intent*?

A: No. Information regarding the proposed location(s) of the RMD is submitted with the *Siting Profile*.

Management and Operations Profile

Q: Does the Certificate of Good Standing need to be dated a certain number of days before being submitted?

A: A Certificate of Good Standing must be dated no later than 90 days prior to the date the *Management and Operations Profile* is received by the Department.

Q: Do you need to have someone assigned to each role mentioned in the instructions in the *Application of Intent* and *Management and Operations Profile*?

A: Yes.

Siting Profile

Q: Are there any requirements for how old a letter of support or non-opposition may be when submitting a *Siting Profile*?

A: When submitting a *Siting Profile*, an applicant must submit a letter of support or non-opposition that is dated on or after the date that the applicant's *Application of Intent* was received by the Department.

Q: Can I get an extension if I am not able to submit a *Siting Profile* within the 12 month timeframe?

A: No. Extensions are not available.

Q: What is the time frame for submitting the *Siting Profile*?

A: To provide applicants with flexibility to work with their host communities, the Department has not set a deadline for submitting the *Siting Profile*. Applicants should consider the instruction in the application forms. The application process must be brought to conclusion within 12 months of the submission of the *Management and Operations Profile* and submit the *Siting Profile* promptly to allow the Department adequate time to process it within that time frame.

Q: Section E of the *Siting Profile* references the projected date the RMD plans to open. Does “open” refer to the completion of the inspection phase, approval to grow, approval to sell, or another milestone?

A: The “projected date the RMD plans to open” refers to the first day that the RMD would be open to sell products.

Q: Can I apply to locate an RMD in a town, city, or county that already has an RMD located in it?

A: Yes. The applicant must provide a letter of support or non-opposition from the municipality where it intends to locate its RMD.

Q: What is considered an “open county”?

A: An open county is a county in which a retail dispensary is not currently sited with either a Provisional Certificate of Registration or a Final Certificate of Registration from the Department of Public Health.

Q: Is the Department prioritizing the filling of open counties?

A: Yes. Applicants submitting a *Siting Profile* to locate a retail dispensing site in an open county will be processed before *Siting Profiles* submitted for non-open counties locations. If multiple *Siting Profiles* are received for open county locations, they will be processed in the order of the date they were submitted.

Q: If an applicant is applying for an open county, and is also applying for additional RMDs that are not in an open county, do all of the applicant's submissions receive priority review or does only the open county submission receive priority review?

A: Only the *Siting Profile* proposing a retail dispensing site in an open county will receive priority review.

Q: Will the Department consider an applicant based on the geographical location of their proposed dispensary?

A: Applicants submitting a *Siting Profile* to locate a retail dispensing site in an open county will be processed before *Siting Profiles* submitted for non-open county locations. If multiple *Siting Profiles* are received for open county locations, they will be processed in the order of the date they were submitted.

Q: What if I can't get a letter of support or non-opposition?

A: When submitting a *Siting Profile*, the applicant must submit a letter of support or non-opposition from the municipality where it intends to locate its RMD. If the applicant cannot obtain a letter of support or non-opposition from the municipality, the applicant may elect to seek a site in a different municipality.

Q: When should we plan to purchase property?

A: The Department cannot make recommendations regarding the timing of acquiring a property interest in a location.

Q: Can I change locations after submitting a *Siting Profile*?

A: Yes. If you change the location of your RMD after submitting a *Siting Profile*, but before you receive a Provisional Certificate of Registration, you must submit a new *Siting Profile* in order to proceed in the application process. However, an applicant must receive a Provisional Certificate of Registration within one year of the submission of the *Management and Operations Profile*. If it does not, the RMD must restart the application process.

If you change the location of the RMD after receiving a Provisional Certificate of Registration, you will need to submit a location change application and submit the \$10,000 location change fee.

Q: What are the acceptable methods of notifying the chief administrative officer and the chief of police of the proposed city or town in which the RMD would be sited, as well as the sheriff of the applicable county, regarding the intent to submit a *Management and Operations Profile* and a *Siting Profile*? How does the Department wish these interactions to be documented?

A: The applicant must decide what method to use to notify these parties, but applicants may wish to consider notifying in writing with a return receipt to avoid any dispute over compliance with this requirement. When completing the *Siting Profile*, the applicant must attest that the corporation has notified the chief administrative officer and the chief of police of the proposed city or town in which the RMD would be sited. Additionally, applicants must notify the sheriff of the applicable county, of the intent to submit a *Management and Operations Profile* and a *Siting Profile*.

Q: Are there any limits on the number of RMDs that may be located in a particular county?

A: No. At this time, the Department is not limiting the number of RMDs that will be approved in a particular county. Applicants must, however, submit the requisite letters of support or non-opposition from the local municipalities in which the applicants intend to locate their RMDs.

Q: When submitting a letter of support or non-opposition, does the Department give more value to one letter over the other?

A: No.

Q: If the applicant locates their proposed RMD within a zoning district that allows RMDs, is this enough proof of municipal support or non-opposition?

A: No. The applicant must still submit a letter of support or non-opposition from the municipality in which the applicant intends to locate its RMD.

Miscellaneous

Q: How do I find the character limits in the application forms in Adobe .pdf?

A: Before completing the application forms in Adobe .pdf, please save the forms from the Medical Use of Marijuana Program website to your computer and complete them off-line using Adobe Acrobat or Adobe Reader. This will allow you to view the character limits in the response fields by hovering over the response field with your computer's mouse.

Q: Do wet signatures have to be in blue or black ink?

A: All signatures within the application forms must be wet signatures. There are no requirements for the color of the ink used for the signatures. Electronic signatures will not be accepted.

Q: Do any application forms or attachments need to be notarized?

A: The following background checks authorization forms need to be notarized:

- 1) Release & Authorization Form; and
- 2) CORI Acknowledgement Form.

No other application forms or attachments need to be notarized.

Q: Does the Department have a preference for assignment of signing authority for the applications (e.g., CEO or the president of the Board of Directors)?

A: No. It is up to the RMD to decide who to designate as an authorized signatory (or signatories).

Q: 105 CMR 725.100(A)(2) states that “No executive, member, or any entity owned or controlled by such executive or member, may directly or indirectly control more than three RMDs.” Is it acceptable to form a consulting group that could serve as a consultant to more than three RMDs?

A: The Regulations state that “[n]o executive, member, or any entity owned or controlled by such executive or member, may directly or indirectly control more than three RMDs.” An executive or corporate member of an RMD may not, through a consulting group or other entity that he or she owns or controls, directly or indirectly control more than three RMDs, but may provide services to RMDs, as long as the circumstances clearly demonstrate the consulting group has no decision-making power in the RMD.

Q: If an applicant receives a Certificate of Registration to operate more than one RMD, may each dispensary site operate its own cultivation site?

A: 105 CMR 725.100(A)(4) states that a “An RMD may not have more than two locations in Massachusetts at which marijuana is cultivated, MIPs are prepared, and marijuana is dispensed. Each of these activities may occur at only one such location, which may be either the RMD’s principal place of business or one Department-approved alternate location in Massachusetts, but not both.”

Under this provision, each RMD may only therefore have, at most, 1 retail operation and 1 remote cultivation location and must decide in which of those 2 locations it wishes to process MIPs.

A nonprofit corporation may have 3 RMDs, each of which may have a retail dispensary and a remote cultivation facility. A nonprofit corporation with multiple retail dispensaries may utilize one remote cultivation facility for its dispensaries or it may have one remote cultivation location per dispensary. The nonprofit corporation may not, however, violate the Regulations by allowing one of its RMDs to cultivate marijuana in more than one remote facility. Therefore, if an applicant with multiple RMDs chooses to have multiple cultivation locations as well, it must ensure that it does so in a manner that does not violate 105 CMR 725.100(A)(4).

Q: Does the 30% total annual inventory limitation under 105 CMR 725.105(B)(2) pertain to the distribution and acquisition of marijuana between RMDs owned by the same nonprofit corporation?

A: 105 CMR 725.105(B)(2) states that “[a] RMD may acquire marijuana from or distribute marijuana to another RMD when:

(a) A documented emergency situation occurs such as loss of crop, vandalism, or theft, or other circumstance as approved by the Department; or

(b) A specific registered qualifying patient’s needs cannot otherwise be met by the acquiring RMD, as documented by the acquiring RMD; and

(c) The distribution and acquisition of marijuana to and from all other RMDs does not exceed, cumulatively, 30% of the RMD's total annual inventory."

The RMDs involved must document and be able to demonstrate to the Department that one of the circumstances described in subsection (a) or (b) exists; and must also demonstrate that they have not acquired or distributed in excess of 30% of the RMD's annual inventory. The Department does not interpret this section to apply to multiple RMDs owned by the same nonprofit corporation that share a common remote cultivation facility.

If, however, a nonprofit corporation has multiple RMDs with their own co-located cultivation facilities or with multiple remote cultivation facilities, the acquisition or distribution of marijuana from a cultivation facility to an RMD that is not its designated remote cultivation facility would be subject to the requirements of 725.105(B)(2) and the RMD would need to demonstrate that the circumstances described in subsection (a) or (b) exists; and must also demonstrate that it has not acquired or distributed in excess of 30% of the RMD's annual inventory.